



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

NICK A. KHOURI  
STATE TREASURER

## ***MINUTES OF THE MEETING OF THE STATE TAX COMMISSION***

***Holiday Inn Express and Okemos Conference Center,  
Okemos A & B Rooms  
2187 University Park Drive, Okemos, Michigan***

***Tuesday, September 20, 2016  
9:00 a.m.***

***PRESENT: Douglas B. Roberts, Chair STC  
Barry S. Simon, Member STC  
W. Howard Morris, Member STC  
  
Heather S. Frick, Executive Director  
LaNiece Densteadt, Recording Secretary***

**The item numbers referred to in the minutes correspond to the agenda items as numbered.**

It was moved by Morris, supported by Simon, and unanimously approved to adopt the minutes of August 23, 2016. (Item 1 on agenda)

Public Comment – Agenda Items Only (Item 2 on agenda): No member of the public wished to comment.

It was moved by Simon, supported by Morris, and unanimously approved Form 4435 – 2017 Electronic Signature Declaration for Annual Property Reports for State Assessed Telephone, Railroad and Car Line Entities. (Item 3 on agenda)

It was moved by Morris, supported by Simon, and unanimously approved the updated Personal Property Form 632 – 2017 Personal Property Statement, along with additional Forms 2699 – 2017 Statement of “Qualified Personal Property” by a “Qualified Business” (as of 12-31-16), 3589 – 2017 Cable Television and Utility Personal Property Report (as of 12-31-16), 4798 – Automotive Manufacturing Equipment Personal Property Report, 3612 – 2017 Itemized Listing of Daily Rental Property (as of 12-31-16) (For Additional Reporting), 3595 – 2017 Itemized Listing of Daily Rental Property (as of 12-31-16), 2807 – 2017 Statement of “Qualified Personal Property” by a “Qualified Business”, 2698 – 2017 Idle Equipment, Obsolete Equipment, and Surplus Equipment Report (as of 12-31-16), 633 – 2017 Electric Distribution Cooperative Personal Property Statement, 3966 – 2017 Taxpayer Report of Personal Property “Move-Ins” of Used Equipment (as of 12-31-16) Occurring During 2016. (Item 3 on agenda)

It was moved by Simon, supported by Morris, and unanimously approved to adopt the official order to overturn Bay City, Bay County 2016 July Board of Review actions pertaining to parcel 09-160-029-390-012-00 and order the assessor to notify the affected taxpayer and contact the Michigan Department of Treasury Property Services Division Staff within 30 days of this order to review this matter further. (Item 5 on agenda)

It was moved by Morris, supported by Simon, and unanimously approved to adopt staff recommendation for all 2016 classification appeals. ([See attached link for file identification.](#)) (Item 6 on agenda)

It was moved by Simon, supported by Morris, and unanimously approved the 2017 State Tax Commission meeting schedule. (Item 7 on agenda)

It was moved by Simon, supported by Morris, and unanimously approved to adopt the staff recommendation on the Charitable Non-Profit Housing Organization Exemptions for the following: (Item 8 on agenda)

These exemptions will either expire on **December 30, 2019 for a period of three (3 years) or December 30, 2021 for a period of five (5 years)**, or until one of the following events occur:

1. The eligible nonprofit housing property is occupied by a low-income person under a lease agreement, or
2. The eligible nonprofit housing property is transferred by the charitable nonprofit housing organization.

County	Local Unit	Parcel Number	Years Approved
Wayne	City of Inkster	82-44-001-06-0025-000	3 Years
Wayne	City of Inkster	82-44-003-05-0082-000	3 Years
Wayne	City of Inkster	82-44-004-02-0112-000	3 Years
Wayne	City of Inkster	82-44-004-02-0160-000	3 Years
Wayne	City of Inkster	82-44-005-01-0010-000	3 Years
Wayne	City of Inkster	82-44-005-01-0016-002	5 Years
Wayne	City of Inkster	82-44-005-02-0015-000	3 Years
Wayne	City of Inkster	82-44-006-01-0018-000	3 Years
Wayne	City of Inkster	82-44-006-01-0023-000	3 Years
Wayne	City of Inkster	82-44-006-01-0036-000	3 Years
Wayne	City of Inkster	82-44-006-01-0050-002	3 Years
Wayne	City of Inkster	82-44-006-01-0092-000	3 Years
Wayne	City of Inkster	82-44-010-04-0687-000	3 Years
Wayne	City of Inkster	82-44-010-06-0238-000	3 Years
Wayne	City of Inkster	82-44-014-02-0152-002	3 Years
Wayne	City of Inkster	82-44-023-06-0025-000	3 Years
Wayne	City of Inkster	82-44-025-02-1427-000	3 Years
Wayne	City of Inkster	82-44-025-03-0010-000	3 Years
Wayne	City of Inkster	82-44-016-01-0163-000	3 Years
Ottawa	City of Holland	70-16-27-303-003	5 Years
Ottawa	City of Holland	70-16-27-303-004	5 Years
Ottawa	Holland Township	70-16-08-363-001	5 Years
Ottawa	Holland Township	70-16-08-364-021	5 Years

Ottawa	Holland Township	70-16-08-362-010	5 Years
Ottawa	Holland Township	70-16-08-363-006	5 Years

It was moved by Simon, supported by Morris, and unanimously approved to adopt the following staff recommendations regarding the City of Detroit's Reappraisal requests and have staff report back to Commission on the progress in six months: (Item 9 on agenda)

1. Approved the modified corrective action plan.
2. Contingent upon an acceptable work plan being submitted by the City of Detroit and accepted by the Commission, approved the delay of the completion of the reappraisal of commercial and industrial properties until the 2018 assessment year.
3. Approved the Audit of Minimum Assessing Requirements (AMAR) review be conducted in 2020 when Wayne County is scheduled to be reviewed under the AMAR List of Counties for Review.
4. Approved the staff recommendation regarding the City's uncapping plan indicating that the City should first determine if the failure to uncap is on the part of the transferee failing to file a Property Transfer Affidavit in a timely manner as required by law or was a result of a clerical error on the part of the assessor.

If the City of Detroit determines the taxpayer properly filed a Property Transfer Affidavit, as required by statute, and that the uncapping error is solely the result of an assessor error, then the March Board of Review may correct a parcel's taxable value for the current year if that value is incorrect as a result of the prior year's missed uncapping under MCL 211.27a, consistent with MCL 211.29 and the Michigan Supreme Court's decision in *Michigan Properties*. The March Board of Review, however, must use the finalized TCV, TV and SEV on the tax rolls from the year following the transfer of ownership, without any adjustment, to determine what the uncapped TV should have been in the year following the transfer.

If the City becomes aware that a taxable value of a property was not uncapped in the year following a transfer of ownership of that property due to the failure of the transferee of the property to file a Property Transfer Affidavit in a timely manner, the taxable value of the property should uncap for the year following the transfer of ownership. In this instance, the City should recalculate the taxable values of subsequent years, if any, using the uncapped taxable value as a base and complete a separate Form 3214, formerly known as form L-4054, Assessor Affidavit Regarding "Uncapping" of Taxable Value. Subsequently, the affected assessment rolls and tax rolls should be updated accordingly and the property owner will be billed for taxes based on the uncapped and recalculated taxable values.

5. Approved to allow the City of Detroit to submit a request (Form 4738 – STC Continuing Educational Course and Instructor Approval Request) for continuing education approval for all educational programs the City will provide certified assessors with assessment administration education. Staff will review the request to ensure it meets the continuing education requirements for annual certification and send notification to the City if the course is approved upon completion of the review.

6. Approved the request for John Ryan of J.F. Ryan Associates Inc. to regularly meet with the City of Detroit; however, the request is limited to the requirements included within the contractual provisions outlined in the contract between J.F. Ryan Associates Inc. and the State of Michigan. The Commission also approved that J.F. Ryan Associates Inc. continue to review the work completed by the City to determine if the City is on track to complete the work as presented to the State Tax Commission in the corrective action plan in the timeframes provided. The Commission also requested the City timely submit the requested information to J.F. Ryan and Associates Inc. and continue to provide written monthly reports.
7. Staff confirmed that Wayne County has no oversight requirement over the City of Detroit's reappraisal and Wayne County must still perform the required statutory equalization steps outlined in the General Property Tax Act and Commission policy to ensure uniform and equitable assessments.
8. Requested the City of Detroit to submit a sample for staff review of the source document detailing the process for submitting L-4035 (Petition to the Board of Review) and L-4035a (Taxable Value Calculations Worksheet) electronically.

It was moved by Morris, supported by Simon, and unanimously approved the New Personal Property Exemption FAQ, Obsolete Property Rehabilitation Act FAQ, Commercial Rehabilitation Act FAQ, and the Neighborhood Enterprise Zone (NEZ) Act FAQ. (Item 10 on agenda)

It was moved by Simon, supported by Morris, and unanimously approved to adopt the staff recommendations on the Special Items Exemptions Agenda. (Item 11 on agenda) ([See attached link for file identification.](#))

It was moved by Morris, supported by Simon, and unanimously approved to adopt the staff recommendations on the Exemptions Agenda. (Item 12 on agenda) ([See attached link for file identification.](#))

It was moved by Morris, supported by Simon, and unanimously approved to adopt the MCL 211.154 **Concurrences**. (Item 13 on agenda) ([See attached link for file identification](#))

It was moved by Morris, supported by Simon, and approved to adopt staff recommendations on MCL 211.154 petitions on the **Special Items Agenda**. (Item 14 on agenda) ([See attached link for file identification](#))

It was moved by Simon, supported by Morris, and unanimously approved the following MCL 211.154 petition as a **concurrence**, initially noticed as a non-concurrence. (Item 15 on agenda)

**Meridian Township, Ingham County**

**154-16-0300** RICHARD S. FERRO, D.O., P.C.  
PERSONAL PROPERTY

33-02-02-90-530-182

2016 AV from \$ 0 to \$ 54,700 TV from \$ 0 to \$ 54,700

**St. Clair Shores City, Macomb County**

**154-16-0311** JILL ELIZABETH & MARK ALAN WELDY  
REAL PROPERTY

09-14-35-307-017

2016 AV from \$ 0 to \$ 66,100 TV from \$ 0 to \$ 50,900

**City of Rochester Hills, Oakland County**

**154-16-0306** WALTONWOOD UNIVERSITY IL LLC  
REAL PROPERTY

70-15-07-476-008

2014 AV from \$ 815,630 to \$ 2,407,100 TV from \$ 802,980 to \$ 2,369,770

2015 AV from \$ 815,630 to \$ 2,407,100 TV from \$ 815,630 to \$ 2,407,100

2016 AV from \$ 865,700 to \$ 2,554,870 TV from \$ 818,070 to \$ 2,414,320

It was moved by Simon, supported by Morris, and unanimously approved to adopt all other MCL 211.154 petitions. ([See attached link for file identification.](#)) (Item 15 on agenda)

Public Comment (Item 16 on agenda): No member of the public wished to comment.

It was moved by Roberts, supported by Simon, to go into closed session to discuss an item of pending litigation. Roll Call Vote: Chairperson Roberts – Yes, Commissioner Simon – Yes, Commissioner Morris – Yes. The motion was unanimously approved.

It was moved by Roberts, supported by Simon, and unanimously approved to return to open session. Roll Call Vote: Chairperson Roberts – Yes, Commissioner Simon – Yes, Commissioner Morris – Yes. The motion was unanimously approved.

It was moved by Simon, supported by Morris, and unanimously approved to issue official orders of dismissal reflecting the Commission's prior letters finding that the Commission lacks subject matter jurisdiction to each of the named parties in the *Thomas E. Dunn et al v State Tax Commission Chairperson et al*, Michigan Court of Appeals Docket No. 328149. Separate orders for dismissal were issued for the following parcels and MCL 211.154 files:

154-13-0847 Parcel Number: 40-007-109-024-00  
154-14-1144 Parcel Number: 34-051-001-000-070-01  
154-14-1145 Parcel Number: 34-150-019-000-025-00  
154-14-1146 Parcel Number: 34-150-019-000-035-00  
154-14-1147 Parcel Number: 72-005-104-013-0021  
154-14-1148 Parcel Number: 080-026-100-002-00  
154-14-1149 Parcel Number: 65008-023-005-05  
154-14-1150 Parcel Number: 005-0-022-300-015-05  
154-14-1151 Parcel Number: 005-0-029-400-010-00  
154-14-1152 Parcel Number: 005-0-028-300-010-00  
154-14-1153 Parcel Number: 23-07-12-400-016

The next Commission meeting will be held October 18, 2016, at the Okemos Conference Center in the Okemos A & B Rooms, 2187 University Park Drive, Okemos.

It was moved by Roberts, supported by Morris, and unanimously approved to adjourn the meeting of the State Tax Commission at 9:50 a.m.

**DATE TYPED:** September 21, 2016

**DATE APPROVED:** October 18, 2016

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**Douglas B. Roberts, Chair**  
**State Tax Commission**

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**Barry N. Simon, Member**  
**State Tax Commission**

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**W. Howard Morris, Member**  
**State Tax Commission**